

May 2009

## Draft Minutes of March 26, 2009 Board Meeting

### Board members present

Charley Bingham  
Ethelda Burke  
Roberta Greene  
Bill Grinstein

Jesus Hernandez, Chair  
Nita Rinehart  
Sasha Sleiman

### Welcome and introductions

Chairman Jesus Hernandez opened the meeting at 9:00 a.m. and asked the Board and the members of the audience to introduce themselves.

### Consent agenda items approved

- February meeting minutes
- Joint report on “A Skilled and Educated Workforce” -- *Resolution 09-05*

<p><b>Action:</b> Roberta Greene moved for approval of the consent agenda items. Charley Bingham seconded the motion, which was unanimously approved.</p>
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### Report of the Executive Director

Ann Daley reported on a series of public presentations she has been making on the new System Design Plan and the implementation of the Strategic Master Plan. Daley spoke to the Vancouver Rotary, emphasizing the many direct benefits the state receives when its citizens have higher levels of education. She also discussed the challenges presented to higher education by the current economic crisis. In the weeks ahead, Daley will make similar presentations at service clubs in Yakima, Vancouver, and Ellensburg and at the board meeting of the Independent Colleges of Washington. She also is scheduled to meet with the Seattle Times and The News Tribune editorial boards, along with UW President Mark Emmert and WWU President Bruce Shepard, to talk about the state budget; tuition; and the GET program.

Daley noted that HB 1545 did not make it out of the House Ways & Means Committee this session. The bill would have given the HECB authority to offer an alternative higher education retirement plan to select board employees. Daley said the agency would continue the effort to win legislative support for the bill in the next session.

The agency-sponsored tuition bill, which would continue the 7 percent cap on undergraduate tuition, has passed the House and Senate policy committees and is now in House Ways and Means. Tuition has become a much-debated issue in this session as institutions prepare to grapple with huge cuts in higher education funding.

There is concern and confusion about how raising tuition is connected to, and affects the viability of, the GET program. Daley assured the Board that if the Legislature chooses to raise tuition beyond 7 percent, GET would be impacted, but it's not going to be put in any kind of danger. GET is in a strong financial position and it will weather the storm of market declines and tuition hikes, she said.

### **System Design Plan (SDP)**

At their first meeting on March 2, the System Design Plan study group reviewed the goals of the 2008 Strategic Master Plan and implementation activities, and discussed the purpose for the group's work. The SDP study group is tasked to develop recommendations for a coordinated response to the state's long-term strategic goals in higher education. Those goals include expanding degree production and educational opportunities for an increasingly diverse population in the state. The draft recommendations will be discussed at the Board's meeting in October, with final recommendations for Board action in November.

Daley said the System Design Plan is a timely and significant effort and a logical next step to the master plan and its implementation. It will provide a framework for investing in new campuses and higher education centers, and for making the most effective use of technology to educate Washington students. The study group, composed of members from the four- and two-year colleges and universities and a special committee of the Board, will conduct the plan study, with research provided by a smaller data group. A steering committee made up of business and civic leaders outside of higher education will play a guiding role, providing feedback to the work of the plan's study group.

Charley Bingham asked if the System Design Plan would address specific proposals for added capacity that have previously been brought to the Board, as in the Snohomish and Kitsap studies. Daley said the Legislature is looking to the HECB to complete the system review before it takes action on various proposals for expanding higher education access in the state.

Jan Ignash, HECB deputy director for policy, planning and research and SDP lead staff, reviewed the details of the System Design Work Plan, which contains the purpose and scope of the study, proposed elements of research and analysis, and timelines to complete the work. The data group has met several times to discuss the type of data and research that are needed to help the study group arrive at its conclusions and recommendations.

Nita Rinehart said the plan should be founded on the private and public good of higher education; – it is not just as an economic engine, or about getting a job. Daley agreed. The Strategic Master Plan, which is the foundational document of the System Design Plan, discusses the benefit to the community of an educated citizenry.

### **College Bound Scholarship and GEAR UP presentation**

John Klacik, director of student financial assistance, showed photos of the College Bound sign-up event in Tacoma, where over 1,000 students showed up. Tacoma continues to lead other school districts in the state. Ethelda Burke, HECB member and Superintendent of the Tukwila School District, said that although Tukwila has the most diverse student body in the nation (per The New York Times), some of her students do not qualify because they are undocumented. (A student has to have legal resident status to receive the scholarship.)

Other photos Klacik showed highlighted the celebration of GEAR UP day in Olympia. Gov. Christine Gregoire proclaimed February 18 Washington GEAR UP Day. The federally-funded Gaining Early Awareness and Readiness for Undergraduate Program serves more than 33,000 students in grades six through 12 across Washington. GEAR UP focuses on creating college opportunities for students in high-poverty school districts that lack structured college awareness and preparation programs.

### **Legislative update**

Chris Thompson, director of government, college & university relations, summarized the status of some of the bills the Board has been following through the session, including the HECB's tuition bill, the re-branding of state financial aid programs, and proposals for new institutions (whose creation are now contingent on the findings and recommendations of the HECB's System Design Plan).

### **Status report on program approvals**

Mark Bergeson, HECB academic affairs associate director, reviewed the process for HECB approval of new programs, and extensions to existing programs offered at the baccalaureate and graduate level. The report summarized approval activity from March 2008 to February 2009.

### **Amendment to HECB program and facility approval policies and procedures**

Bergeson asked the Board to consider a policy change that would streamline the program approval process for "moderate degree-change proposals," giving institutions the option to submit a less-complicated proposal to the HECB. In addition to streamlining the process, the proposed change would mean substantial savings in staff time for the HECB and the institutions. The proposed change has been circulated to the institutions and has the approval of the Board's Education Committee.

**Action:** Nita Rinehart moved for approval of the amendment to the HECB's program and facility approval policies and procedures (Res. 09-06). **Charley Bingham** seconded the motion, which was unanimously approved.

### **Technology panel**

Through a series of panel discussions by technology experts, the Board has been exploring the role of technology in achieving the state's long-term goals of increasing student access and degree attainment. Bob Billings, HECB chief information officer, introduced the members of the latest panel of institutional experts from the University of Washington and Eastern Washington University.

#### **Panelists:**

- Tom Lewis, Director of Online Technologies, Learning & Scholarly Technologies, University of Washington
- Todd B. Mildon, University Registrar, Director of Student Academic Data Management, University of Washington
- Gary L. Pratt, Chief Information Officer, Eastern Washington University
- Karen Dowdall-Sandford, UW's new Director of Online Programs and Distance Education in UW Educational Outreach

The panelists briefed the Board on initiatives the universities are undertaking to make better use of technology in teaching, student learning, administration, and strategic planning. Common themes that emerged from the presentations and discussion with the Board included:

- Sharing/setting data free.
- Streamlining processes to take advantage of new technologies.
- Leveraging what's already out there to enhance teaching and learning tools.
- Interfacing with all systems; developing universal code systems.
- Collaborate/ integrate/innovate through partnerships with other institutions, organizations and consortiums; learning centers, libraries, and community centers.
- Interfacing/blending on-line learning tools with Internet search engines and programs: Yahoo, Google, Microsoft, and Amazon.

Legislators also are interested in ways technology can be used to improve the effectiveness, efficiency, and quality of education through technology. A technology bill sponsored by Rep. Reuven Carlyle and supported by the HECB (SHB 1946) calls for a study on *"how public institutions of higher education can pursue a strategy of implementing single, shared, statewide commonly needed standards-based software, web hosting and support service solutions that are cost-effective, easily integrated, user-friendly, flexible, and constantly improving."* The bill directs the HECB to convene a technology transformation task force to conduct the study, with a preliminary report due to the Legislature in December 2009, and a final report in December 2010.

### **State Economic and Revenue Outlook**

State economist Arun Raha discussed the state economy and revenue outlook as of March 19. The nation's economy is in recession and it is going to be the longest since the Depression. The situation is serious because it was triggered by the collapse of the financial sector, which is the conduit of economic activity. As a result of the collapse, there has been a huge drop in consumer spending and confidence in the financial sector.

This scenario is particularly bad for our state because our revenue is dependent on consumer expenditures. People are not spending on big ticket items so revenue continues to drop. Car sales in the state are twice the amount of decline nationwide. In housing, we are falling faster than the rest of the nation.

Contrary to earlier forecasts, Washington State is no longer expected to lead the nation in fiscal recovery; we will recover at the same time as the U.S. economy. Worse, our unemployment rate will now continue to exceed that of the nation during the recession.

Raha believes the key to recovery lies in a return to some kind of normalcy in credit markets. Loans have to start again and also investments from the private sector. He expects the recession to end in the third quarter of 2009, followed by a weak growth into the middle of 2010.

There are some signs of recovery. The equity market is recovering. There has been an uptick in durable goods orders and an increase in the sale of existing homes. The federal stimulus funds will help create/save 60,000 jobs to 2011, not including the Hanford plant, which would add another 15,000 jobs. However, job losses are expected to continue into the recovery.

**Board student member steps down**

Sasha Sleiman announced that she will be in Lebanon in the next few months and would therefore have to leave the Board earlier than the expiration of her term in June. The Board thanked her for her services and her tremendous contribution to the work of the Board and the students of the state. The Board invited Sleiman back to its July meeting for a proper send-off.

**2010 Federal Budget**

Executive Deputy Director Don Bennett and John Klacik discussed some of the provisions in the federal stimulus package and the 2010 federal budget that would improve college access and completion in higher education.

- ✓ **Increases maximum Pell Awards.** The Budget builds on the Recovery Act by supporting a \$5,550 Pell Grant maximum award in the 2010-11 school year and ties future increases in Pell awards to the Consumer Price Index plus 1percent.
- ✓ **Makes permanent the new \$2,500 American Opportunity Tax Credit** provided in the Recovery Act.
- ✓ **Modernizes Federal Student Loans.** The Budget provides funds to modernize the federally subsidized student loan programs to guarantee student access to loans by competitive, private providers. Also it makes campus-based, low-interest loans more widely available through a new Perkins loan program, overhauling the current Perkins program.
- ✓ **Focuses on college completion.** Provides \$2.5 billion for a new five-year Access and Completion Incentive Fund to support innovative state efforts to help low-income students succeed and complete their college education. The program will include a rigorous evaluation component.

Governor Gregoire has created an economic stimulus sub-cabinet (Daley is a member) to figure out the details, provisions, and requirements of the federal stimulus funds and the 2010 budget.

**Tuition and Fee Report**

Fiscal Policy Associate Director Evelyn Hawkins presented the 40th edition of the annual HECB publication "Tuition and Fee Rates: A National Comparison," which is widely referenced nationally. The report is a data compendium of tuition and required fee data for the most current five academic years (ending with 2008-09 for the current report). It includes national comparisons (all states, selected institutions) and peer group comparisons of institutional-level data.

Some of the more dramatic discoveries from the compilation show that:

- Washington flagship university nonresident undergraduate tuition & required fees ranked 12<sup>th</sup> in 2008-09 compared to 17<sup>th</sup> in 2004-05;
- Washington comprehensive colleges and universities nonresident undergraduate tuition & required fees ranked 20<sup>th</sup> in 2008-09 compared to 13<sup>th</sup> in 2004-05;
- Washington comprehensive colleges and universities nonresident graduate tuition & required fees ranked 12<sup>th</sup> in 2008-09 compared to 4<sup>th</sup> in 2004-05;
- Washington community college nonresident undergraduate tuition & required fees ranked 18<sup>th</sup> in 2008-09 compared to 7<sup>th</sup> in 2004-0.

The **meeting adjourned** at 3:00 p.m.